

The two treaties: Obama, trade, and the State of the Union

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Disclosure statement

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Obama has unveiled two key trade treaties designed to reaffirm America's place as the world's leading nation - but many aspects of the treaties run counter to its social development stances.

US President Barack Obama's State of the Union plan to boost American exports and grow American jobs centres around two key regional trade agreements: the [Trans-Pacific Partnership](#) (TPP) and the Trans-Atlantic Free Trade Agreement (TAFTA).

The TPP has been under way for some time, with the next round scheduled for next month in Singapore and expected to conclude in October.

Obama also announced the US will launch talks on a comprehensive Transatlantic Trade and Investment Partnership with the European Union. Supporters of TAFTA, like [Professor Dan Hamilton](#), have argued that such an agreement should cover not just matters of trade, but also issues of de-regulation and investment.

[The State of the Union Address 2013](#). (Watch video)

Both treaties will be mutually reinforcing. The United States Trade Representative will use the twin treaties to play participants and regions off against one another, and push for higher standards and obligations.

But the twin trade agreements are controversial - particularly because the discussions have lacked transparency, openness and due process. Moreover, there has been a concern that the TPP and TAFTA will be in conflict with Obama's policy agenda on labour rights, public health, and the protection of the environment.

Made in America: labour rights, manufacturing, and trade

In his address, Obama emphasised that his first priority would be to make America "a magnet" for new jobs and manufacturing, emphasising how after 10 years of shedding jobs, manufacturers such as Caterpillar, Ford, Intel, and Apple were bringing production jobs back in the US.

Showing enthusiasm for [3D printing](#), Obama also spoke of creating a first manufacturing innovation institute: "A once-shuttered warehouse (in Youngstown, Ohio) is now a state-of-the art lab where new workers are mastering the 3D printing that has the potential to revolutionise the way we make almost everything." He envisaged that establishment of a network of fifteen of such hubs to "guarantee that the next revolution in manufacturing is Made in America".

However, the twin trade agreements may serve to undermine labour rights, working conditions, and employment.

[Will the Pacific Trade Deal Protect Workers?](#) (Watch video)

The umbrella federation representing US unions, [AFL-CIO](#) observed of the TPP: "Negotiations must include provisions that will benefit US workers, not simply the largest global corporations."

AFL-CIO argued the Obama administration must "improve the US trade positions so they work for the 99%, not just the 1%." The union body lamented: "Unfortunately, for years the global corporate agenda has infused trade policy with its demands for deregulation, privatisation, tax breaks and other financial advantages for Big Business, while shrinking the social safety net in the name of 'labour flexibility'".

Public advocacy group, Public Citizen have argued that [Obama's trade policies create incentives to send jobs offshore](#). [Lori Wallach](#) observed:

"Since the implementation of our existing FTAs, more than 60,000 US manufacturing facilities have been shuttered and we have lost five million manufacturing jobs - fully one quarter of America's manufacturing jobs prior to the agreements' implementation."

Intellectual property, innovation, and access to essential medicines

Evoking [past technological marvels and wonders](#), Obama spoke glowingly of [the need to continue to invest in research and development](#).

Obama also talked about an agenda promoting development goals that included eradicating poverty in the next 20 years, connecting more people to the global economy, empowering women, reducing the number of preventable deaths of children and realising the promise of an AIDS free generation.

However, the trade agreements have not been driven by the objective of promoting such development goals. In fact, there has been much concern about the [intellectual property chapter of the Trans-Pacific Partnership](#) and its effects on public health objectives and access to essential medicines for poorer nations. In particular, [commentators](#) point to the unpopular [Anti-Counterfeiting Trade Agreement](#) and say a trade agreement between EU and US could foster a similarly flawed approach.

[Médecins Sans Frontières on the Trans-Pacific Partnership](#). (Watch video)

[Judith Rius of Médecins Sans Frontières](#) argues Obama needs to find a trade policy that adheres to his and previous administrations' commitments to global health. She observed: "The TPP is a huge conflict with those stated goals."

The Environment, Biodiversity and Climate Change

Obama has vowed to do more to combat climate change, urging Congress to pursue a "bipartisan, market-based solution to climate change" and saying he would use his executive powers if necessary to pursue sustainability goals.

This line follows on from [his inauguration speech](#), where Obama alluded to the prospect of trade wars and patent fights over clean technology: "We cannot cede to other nations the technology that will power new jobs and new industries – we must claim its promise." At this week's State Union of Address, Obama expanded upon this: "As long as countries like China keep going all-in on clean energy, so must we."

But Obama appears to lack clarity as to his ambitions for any international agreement on climate change and there is concern that [regional trade agreements may undercut environmental protection and climate policy](#).

[United States Congressional leaders such as Ron Wyden](#) have been concerned the TPP will hinder, rather than help, environmental protection. [Elizabeth May, the leader of the Green Party in Canada, has warned that the TPP](#) could “fundamentally erode a government’s ability to enact laws, regulations and policies that protect its environment.” And the [New Zealand Greens](#) have interrogated New Zealand Prime Minister John Key about the impact of the agreement. Likewise, the [Australian Greens have been sceptical of the agreement](#).

[New Zealand Parliament debates the Trans-Pacific Partnership](#). (Watch video)

Trade, Wall Street and Main Street

As a presidential candidate in 2007, Obama maintained that trade agreements should “not be just good for Wall Street - they should be good for Main Street”.

[Barack Obama on NAFTA in 2007](#). (Watch video)

Such a critical attitude is absent from the President’s discussion of the TPP and TAFTA in 2013. In this aspect, Obama’s State of the Union address is a study in contradictions. His ambitious regional trade agenda does not necessarily sit well with his public policy objectives in respect of work, public health, and the environment. As [Lori Wallach of Public Citizen](#) has noted: “Indeed, TPP and TAFTA would gut many of the most worthy goals included in Obama’s SOTU address if the American public and Congress let them come to fruition.”

There is also a need for the Obama administration to realise its promises of [transparent and open government](#) - particularly in matters of trade.

Thus far, such agreements have been negotiated in stealth and secrecy. The Obama administration should harmonise its trade objectives with its public policy agenda. The Obama administration should appoint a new United States Trade Representative who can truly realise “free and fair trade” across the Pacific and the Atlantic. Moreover, there is a need for the United States to embrace multilateral trade, and the Doha Agenda.

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